2002
Annual Report

A Source of ADDED VALUE

Profile

Founded in 1969, MAAX Inc. today is the leading Canadian manufacturer of bathroom products and spas, and one of the top five players in its industry across North America. The Company employs some 2,800 people throughout an infrastructure of 23 plants – twelve in Canada, ten in the United States and one in Europe – and seven distribution centres.

Over the years, MAAX has carved out a strong presence in two major segments of its industry: bathroom and kitchen products, and spas. Entirely customer-focused, the Company aims to stand apart as a world leader by capitalizing on a selection of products differentiated for their originality and quality and by implementing the best customer service practices in the industry. In so doing, MAAX and its employees fulfil their commitment to be a source of added value for customers and, consequently, for shareholders.

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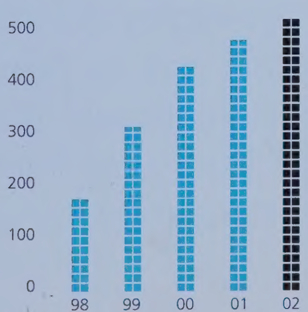
Financial Highlights

Fiscal Years Closed at the End of February
(in thousands of dollars except per-share amounts)

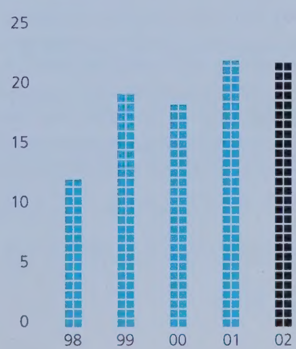
	2002	2001	2000	Change 2002/2001
Operating Results				
Sales	**$ 518,460**	$ 477,796	$ 431,876	8.5 %
Operating income[1]	**$ 66,252**	$ 65,026	$ 62,296	1.9 %
Income before amortization of goodwill	**$ 24,544**	$ 24,762	$ 20,707	(0.9) %
Net income	**$ 21,725**	$ 21,981	$ 18,367	(1.2) %
Operating cash flows	**$ 44,039**	$ 45,302	$ 37,977	(2.8) %
Per Share				
Income before amortization of goodwill (basic)	**$ 1.04**	$ 1.04	$ 0.87	–
Earnings (basic)	**$ 0.92**	$ 0.93	$ 0.78	(1.1) %
Earnings (diluted)	**$ 0.90**	$ 0.91	$ 0.76	(1.1) %
Operating cash flows	**$ 1.86**	$ 1.91	$ 1.60	(2.6) %
Book value	**$ 11.11**	$ 10.21	$ 9.19	8.8 %
Financial Position				
Working capital	**$ 94,489**	$ 87,359	$ 84,737	8.2 %
Total assets	**$ 421,241**	$ 408,196	$ 396,931	3.2 %
Long-term debt	**$ 77,142**	$ 92,870	$ 101,006	(16.9) %
Shareholders' equity	**$ 264,980**	$ 242,735	$ 217,875	9.2 %
Financial Ratios				
Net income	**4.2 %**	4.6 %	4.3 %	
Current ratio	**2.55:1**	2.52:1	2.19:1	
Long-term debt/total capitalization	**22.5 %**	27.7 %	31.7 %	
Return (EBIT) on invested capital	**11.7 %**	11.7 %	11.3 %	
Return on equity	**8.5 %**	9.3 %	8.8 %	

(1) *Before depreciation, amortization, research and development expenses, financial expenses and income taxes.*

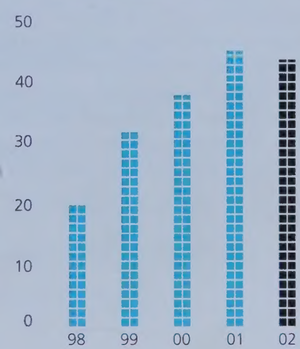
Sales*



Net Income*



Operating Cash Flows*

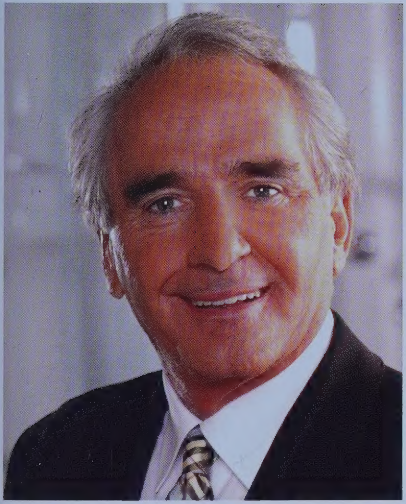


* *Millions of dollars*

Our Mission

MAAX's mission is to proactively fulfill the needs of the bath, kitchen and spa markets by designing, manufacturing and distributing innovative cabinets, spas and bathroom products to its North American customers.

We will become the leader by leveraging our market knowledge and technical expertise and by developing and offering value-added, differentiated, profitable products and services to delight our customers and end-users, resulting in strong business relationships and customer loyalty.



Placide Poulin
Chairman of the Board and Executive Committee

The past year marks a milestone in MAAX's history. In the context of a challenging economic environment, MAAX has fulfilled its goal of refining its mission while topping the half-billion dollar sales mark and successfully completing a transition at the top management level. MAAX has also continued reinforcing its financial structure and has laid the required foundations to deploy its extensive value-added commercial offering across the United States and Canada.

From a financial viewpoint, it is during the second half of the 2002 fiscal year that we started benefiting from the expected operational synergies of the integration program completed during the two previous years. Thus, despite unstable economic conditions, a remarkable upturn in the last six months of the year generated internal growth in sales of 14.9% and a 28.6% increase in net income. For the whole year, sales totalled $518.5 million and net income reached $21.7 million, or $0.92 per share. The bathroom and kitchen segment recorded 17.8% growth in profitability and 9% growth in sales. The spa segment incurred a loss before taxes and amortization of goodwill of $4.3 million and sales growth of 5.9%. Strong measures have been implemented and we are convinced that the latter segment will make a positive contribution to MAAX's profitability and leadership as early as the first quarter of the current fiscal year.

In fiscal 2002, I stepped down as Chief Executive Officer and, in July 2001, André Héroux took over the helm of our management team. We can all be proud of the success of this transition and the quality and dedication of our officers. Our management team has had opportunity to demonstrate its capacity to take up challenges and implement innovative solutions aimed at overcoming the difficulties inherent in unstable economic conditions. The team has also shown the necessary flexibility and creativity to continue laying the foundations for our future growth. Unquestionably, its commitment and determination to move forward reflect a key ingredient in our future success. I wish to thank André and his team for the excellent work they have accomplished during the past year.

As fiscal 2003 begins, MAAX is poised to reap the benefits of the integration of its operations. The Company is well-positioned to generate a solid increase in its profit margins while maintaining significant internal growth rates. It is also time to resume our strategic acquisition program with a view to reinforcing our presence in existing markets as well as carrying out new ones to maximize our marketing synergies and especially to maximize our profitability.

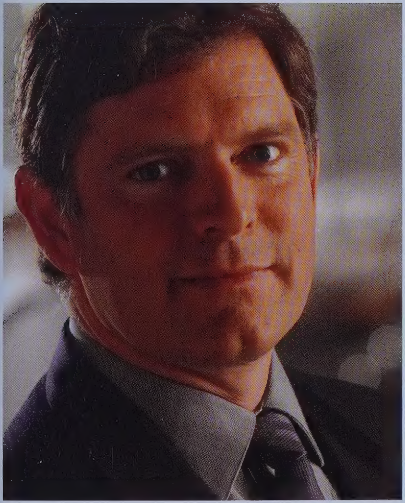
The definitive North American positioning of our product lines, development of innovative products and strategic acquisitions enable MAAX to keep ahead of the wave, and they remain the key factors underpinning our future growth strategy. We plan to take advantage of our financial structure to be proactive in our positioning strategy to ensure our leadership status in the two main business segments where we are active.

I wish to express my gratitude to the members of the Board for their wise counsel and steadfast support, particularly Paul Bilodeau who will complete his mandate this year. Mr. Bilodeau was Chair of the Environmental Committee and a member of the Audit Committee.

In closing, I would like to thank MAAX's shareholders for the trust they have shown in us during the past year.

A clear and dynamic strategy, a management team with an entrepreneurial spirit, passionate employees and strong financial leverage will guarantee us success in our goal of providing added value for our shareholders.

Placide Poulin
Chairman of the Board
and Executive Committee



André Héroux
President and Chief Executive Officer

Following an integration and optimization process that lasted three years, MAAX is poised to delight its customers within both its bathroom and kitchen as well as spa segments through its three main distribution networks, namely wholesalers, specialty retailers and home improvement centres.

A Successful Transition

On July 4, 2001, MAAX underwent a significant change as its founder and Chief Executive Officer Placide Poulin handed responsibility for leading the management team over to me. I would like to take this opportunity to express my sincere gratitude and pride to Mr. Poulin and the Board for the trust they have shown me.

Basic Beliefs

So that we may share a clear and common vision of our future that will engage us, we have begun implementing a strategic approach in order to update the key principles underlying MAAX's success for more than thirty years now.

First finding: MAAX's foundations are solid and its values must be preserved since they have contributed to its resounding success, making it a company that has the capacity, determination and passion to move forward. Our values include:

- taking every necessary action to ensure customer satisfaction;
- avoiding the traps of routine by always discriminating in favour of innovation, creativity and a culture of continuous improvement on a daily basis;
- shouldering the responsibility that goes with our functions;
- constantly striving to improve quality and productivity;
- showing openness and fostering communication with others; and
- targeting optimal results.

Among other findings from this exercise, we have ascertained that MAAX's driving force resides in its market-driven approach, namely its capacity to optimize its presence in each of its designated markets and distribution networks. To attain these results,

MAAX must aim to be the best in its various market segments, but not necessarily the biggest. MAAX will thereby stand apart for its capacity to generate added value for its customers and to earn their loyalty.

MAAX also has basic beliefs. With the help of the Strategic Committee, we have defined guiding principles for our actions and interactions with employees, customers, suppliers, shareholders and communities where we operate. These basic beliefs are presented further on in this report and I encourage you to take a look at them because they will be guiding our every decision and action in the future.

Team Spirit

Our group of passionate leaders has achieved many accomplishments in the past year, including:

- stepping up business development;
- preparing and launching the North American deployment of all our product categories;
- tailoring our commercial offering to the specific needs of each of our distribution networks;
- implementing actions required to turning around the spa segment; and
- harnessing operational synergies between our various manufacturing, commercial and administrative functions.

The vision that inspired these measures consisted in turning the twelve independent companies under the MAAX structure into a single team with a definitely North American approach. To translate this vision into action, we had to:

- optimize the operational and commercial synergies;
- eliminate duplication between division and corporate functions;
- hand over operational authority to those in direct contact with the market, namely sector and division heads;
- set profit objectives rather than sales volume objectives; and
- reinforce less lucrative profit centres before pursuing growth.

The involvement and determination of all employees have allowed us to implement most elements of our plan and to communicate these throughout the Company. MAAX was then in a position to foster the value inherent in its new operational synergies.

As a result, the bathroom and kitchen segment increased its income before taxes and amortization of goodwill by 29.9% in the second half of the year while generating an internal growth rate of 13.9%.

The disappointing financial performance of the spa segment urged us to carry out a complete overhaul of operations at our three plants, a process that was completed in the third quarter following which the plants now work under a single infrastructure. Results have been conclusive since the loss before taxes and amortization of goodwill was more than halved in the fourth quarter while the internal growth rate reached 37.3%. This positive trend will no doubt be intensified in fiscal 2003 and this segment will return to profitability as early as the first quarter of the current fiscal year.

A Stimulating Game Plan

Last summer, I committed myself to making MAAX:

- a better supplier;
- a more significant supplier by increasing its share of the North American market;
- a supplier with a faster turnaround; and
- a supplier that is recognized and respected by all.

Thanks to the past year's accomplishments, MAAX has entered the intensive deployment phase of its products on the market and has capitalized on the important commercial synergies related to the launch of new programs. Combined with enhanced cost efficiencies and intensified product R&D efforts, this internal growth will considerably improve our profit margins.

The timing is excellent as the economic recovery is faster than expected and low interest rates support the home improvement and new construction markets.

That's why we believe MAAX will benefit from opportunities aimed at increasing its market share through the deployment of its value-added marketing strategies and new products. We anticipate that our Company will sustain an internal growth rate of more than 10% in 2002-03 and that it will further improve profitability in both its segments.

In broader terms, MAAX's position enables it to reap the benefits of cocooning and the baby-boomers having reached prime remodeling age.

A Source of Added Value

At MAAX, we believe that creating added value is an essential process that requires mutually profitable relations between the Company, its customers, shareholders, employees and suppliers. Through remarkable leverages such as our brands, the quality of our positioning, the scope of our distribution networks, the quality of our internal and external partners, as well as our distinct and innovative products and services, we will meet our commitment of being a source of added value for all our stakeholders. MAAX is passionate about being the best, and this mindset transcends our customers, employees, products, work and performance.

I have full confidence in our outlook in light of our strong management team and our 2,800 employees stirred by a passion to excel.

André Héroux

André Héroux
President and Chief Executive Officer

Strategic Committee

From left to right: **Patrice Hénaire** – *Corporate Vice-President, Marketing and R&D* **Terry Rake** – *Vice-President and General Manager, Spas Sector* **Marie-France Poulin** – *Executive Vice-President, Sales* **André Héroux** – *President and Chief Executive Officer* **Dan Stewart** – *Vice-President and General Manager, MAAX KSD* **David Poulin** – *Executive Vice-President, Operations* **Larry Winters** – *Vice-President and General Manager, Bathroom Products Sector – USA* **Jean Rochette** – *Vice-President and General Manager, Bathroom Products Sector – Canada* **Ghislain Demers** – *General Manager, C.E. Cabinets* **Benoit Boutet** – *Corporate Director of Finance* **Richard Garneau** – *Executive Vice-President and Chief Financial Officer*

Not in the picture: **Guy Bérard** – *Vice-President and General Manager, Kitchen Cabinets Sector* **Michel Tremblay** – *Corporate Vice-President, MIS*

Our Basic Beliefs

Employees

We believe our employees are our most valuable and powerful assets. We must provide and continually nurture an environment of growth, opportunity, responsibility, conviction and determination to succeed.

Customers

We believe customers are our partners and deserve a great business experience and must be considered first in everything we do and every decision we make. This will create strong relationships and loyalty.

Suppliers

We believe our suppliers are our partners in quality and value. Their values and objectives must be in concert with ours to meet our goals and our customers' expectations.

Community

We believe our role is to be a good and proactive corporate citizen, supporting the community.

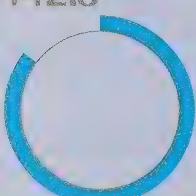
Shareholders

We believe we must continually strive to meet the expectations of our shareholders and maximize their return on investment.

A SOURCE OF SATISFACTION

Segmented Sales
In millions of dollars

442.3



Bathroom and Kitchen products

Description

This segment encompasses all operations related to the manufacture of bathroom and kitchen products. This division's main products include bathtubs, whirlpool baths, bathtub surrounds, showers and shower doors, faucets, medicine cabinets, bathroom furniture and kitchen cabinets.

Production Infrastructure

Bathroom and kitchen products are manufactured at 20 plants in Canada, the United States and Europe:

- Ten plants in Canada: eight in Quebec, one in Alberta and one in British Columbia;
- Nine plants in the United States: two in Pennsylvania and one in each of the following states: Florida, Georgia, Indiana, Iowa, Minnesota, Washington and California; and
- One plant in Europe, in Heinenoord, Netherlands.

Achievements

- Increase of 9.0% or $36.5 million in sales which rose to $442.3 million as a result of internal growth.
- Upturn of 17.8% in income before taxes and amortization of goodwill which rose to $41.5 million.
- Rollout of North American sales and marketing programs for several product lines.
- Improvement in customer logistics for all product lines in every region of North America.
- Setting up of a new management structure and restructuring of operations at the SaniNova plant in Europe.
- Combination of the MAAX Midwest and Pearl Baths divisions under a single management team.
- Transfer of some of the fibreglass product manufacturing operations of MAAX Canada Inc. (Beauce Division) to MAAX Midwest to reduce turnaround times and delivery costs.
- Further advance of the plant automation program at MAAX Canada Inc. (Beauce Division) and C.E. Cabinets in Laval.

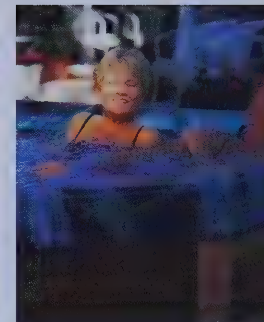
A SOURCE OF WELL-BEING

Objectives

- Accelerate the rollout of the sales and marketing programs across North America to achieve further breakthroughs with each product line, especially those with added value, and expand the sales coverage.
- Sustain internal growth of at least 10%.
- Improve customer logistics by implementing a one-stop-shop. This concept will enable customers to place orders for different product categories in a single transaction and to receive them all in a single delivery.
- Expand the California plant to complete the transfer of production targeted to the West Coast of the United States.
- Launch several innovative new products, including the Moonlight translucent bathtub which won first prize in its category at the industry's largest North American trade show in April 2002.
- Leverage current customers with new products and programs.
- Optimize all production lines at the kitchen cabinet manufacturing plant in Laval.
- Further optimize the management information system to offer world-class customer logistics.

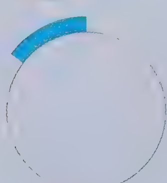
Moonlight
Winner of the first prize
in its category at KBIS 2002

A SOURCE OF INNOVATION



Segmented Sales
In millions of dollars

76.2



Spas

Description

This segment encompasses all operations related to the manufacture of spas, a product category served in part by a separate distribution network, i.e., spa and pool retailers, and home improvement centres.

Production Infrastructure

Spas are manufactured at three plants: two in Canada (Ontario and British Columbia), and one in the United States (Arizona).

Achievements

- Increase of 5.9% in sales which rose to $76.2 million, despite a general market downturn.
- Decrease in profitability of the segment, leading to a loss of $4.3 million before taxes and amortization of goodwill, due to the energy crisis in California, decline in discretionary spending and an inadequate product positioning connected with the development and re-engineering of several new models.
- Implementation of an extensive operational and financial turnaround plan in the third quarter, including the combination of the three plants within a single cost structure.
- Rollout of a new spa program throughout a leading U.S. chain of home improvement centres in the fourth quarter.
- Successful contractual renegotiations with current customers.

Objectives

- Generate internal growth of over 10% and a positive return as of the first quarter of fiscal 2003.
- Further deploy spa program throughout a leading U.S. chain of home improvement centres.
- Intensify marketing efforts and further expand distribution networks to maximize the use of this division's manufacturing capabilities.
- Capitalize on the regain in demand for discretionary products throughout North America by building upon the improvements made to products over the past fiscal year.
- Enhance customer loyalty by creating new value-added programs.

Financial Retrospective

(in thousands of dollars except per-share amounts)

	2002	2001	2000 (1)	1999	1998	1997
Operating Results						
Sales	**$ 518,460**	$ 477,796	$ 431,876	$ 312,895	$ 174,841	$ 112,086
Operating income(2)	**$ 66,252**	$ 65,026	$ 62,296	$ 47,807	$ 30,528	$ 21,118
Income before amortization of goodwill	**$ 24,544**	$ 24,762	$ 20,707	$ 20,703	$ 13,181	$ 9,166
Net income	**$ 21,725**	$ 21,981	$ 18,367	$ 19,193	$ 12,224	$ 8,657
Operating cash flows	**$ 44,039**	$ 45,302	$ 37,977	$ 31,841	$ 20,084	$ 14,713
Per Share(3)						
Income before amortization of goodwill (basic)	**$ 1.04**	$ 1.04	$ 0.87	$ 0.95	$ 0.73	$ 0.55
Earnings (basic)	**$ 0.92**	$ 0.93	$ 0.78	$ 0.88	$ 0.68	$ 0.53
Earnings (diluted)(4)	**$ 0.90**	$ 0.91	$ 0.76	$ 0.84	$ 0.66	$ 0.50
Operating cash flows	**$ 1.86**	$ 1.91	$ 1.60	$ 1.46	$ 1.11	$ 0.89
Book value	**$ 11.11**	$ 10.21	$ 9.19	$ 8.66	$ 4.57	$ 3.67
Shares outstanding (in thousands)	**23,843**	23,774	23,717	23,644	18,332	17,770
Financial Position						
Working capital	**$ 94,489**	$ 87,359	$ 84,737	$ 68,949	$ 29,679	$ 7,193
Fixed assets	**$ 129,646**	$ 126,809	$ 109,721	$ 70,503	$ 48,800	$ 43,354
Total assets	**$ 421,241**	$ 408,196	$ 396,931	$ 277,796	$ 168,735	$ 117,881
Long-term debt	**$ 77,142**	$ 92,870	$ 101,006	$ 25,809	$ 49,350	$ 19,416
Shareholders' equity	**$ 264,980**	$ 242,735	$ 217,875	$ 204,833	$ 83,641	$ 65,210
Financial Statistics						
Net income	**4.2 %**	4.6 %	4.3 %	6.1 %	7.0 %	7.7 %
Current ratio	**2.55:1**	2.52:1	2.19:1	2.61:1	1.94:1	1.24:1
Long-term debt/ total capitalization	**22.5 %**	27.7 %	31.7 %	11.2 %	37.1 %	22.9 %
Return (EBIT) on invested capital	**11.7 %**	11.7 %	11.3 %	18.0 %	18.9 %	19.1 %
Return on equity	**8.5 %**	9.3 %	8.8 %	11.9 %	16.6 %	17.1 %

(1) *Non-recurring expenses of $8.8 million were recorded in 2000.*

(2) *Before depreciation, amortization, research and development expenses, financial expenses and income taxes.*

(3) *All per-share amounts have been restated to account for the two-for-one stock split as at April 3, 1997.*

(4) *Diluted earnings per share for the fiscal years ended in 1999 and earlier have not been restated in accordance with the new accounting recommendations of the Canadian Institute of Chartered Accountants' Handbook, Section 3500.*

This management's discussion and analysis of the Company's operating results and changes in financial position for the fiscal year ended February 28, 2002, as well its financial position at that date, should be read in conjunction with the consolidated financial statements appearing in this annual report.

Some sections of this analysis contain forward-looking statements about the Company which, because of their nature, necessarily involve a number of risks and uncertainties. Actual results could therefore differ materially from those indicated or underlying these statements.

Description of the Business

MAAX designs, develops and manufactures bathroom products and spas, including acrylic, fibreglass and thermoplastic bathtubs, whirlpool baths, therapeutic baths and showers. It also manufactures a line of complementary products such as bathtub surrounds, shower walls and bases, shower doors and medicine cabinets. Finally, the Company also specializes in the manufacture of kitchen cabinets and bathroom vanities.

MAAX is active in North American and European markets, and its products are targeted mainly to the home improvement and construction markets. The Company operates twelve plants in Canada, ten plants in the United States, and one plant in Europe, as well as a total of seven distribution centres – three of which are in Canada and four in the United States. The Company employs about 2,800 people: 1,800 in Canada, 930 in the United States and 70 in Europe.

The Company is the Canadian leader in bathroom products and one of the top five players throughout North America. It also ranks among the top three spa manufacturers in North America.

As at February 28, 2002, the Company was involved in two major business segments:

- bathroom and kitchen; and
- spas.

Bathroom and Kitchen Products

This segment encompasses all operations related to the manufacture of bathroom products using acrylic, thermoplastic, fibreglass, aluminum and tempered glass as raw materials. The main products include bathtubs, whirlpool baths, showers, shower doors, faucets, medicine cabinets, bathtub surrounds and bathroom furniture. These products are manufactured at 18 of the Company's plants: eight in Canada, nine in the United States and one in Europe.

This segment also encompasses all operations related to the manufacture of kitchen cabinets, vanities and cabinet doors using primarily particleboard and wood as raw materials. Kitchen cabinets are manufactured at two of the Company's plants in Quebec, Canada.

Spas

This segment encompasses all operations related to the manufacture of spas, a product category for which the raw materials are basically the same as those used in the manufacture of bathroom products but are served in part by a separate distribution network, i.e., spa and pool retailers, and home improvement centres. Spas are manufactured at three of the Company's plants: two Canadian plants in Ontario and British Columbia, and one U.S. plant in Arizona.

Changes in Accounting Policies

Earnings Per Share

During the 2002 fiscal year, the Company retroactively adopted the new recommendations of the Canadian Institute of Chartered Accountants' Handbook, Section 3500, dealing with earnings per share. These new recommendations require the disclosure of the calculation of basic and diluted earnings per share and the use of the treasury stock method for calculating the dilutive impact of stock options. Amounts for fiscal 2001 and 2000 disclosed for comparison have been restated while those for fiscal 1997 to 1999 have not.

Income Taxes

During fiscal 2001, the Company retroactively adopted, without restatement of prior years' financial statements, the new recommendations of the Canadian Institute of Chartered Accountants' Handbook, Section 3465, Income taxes. The cumulative effect of adopting the new recommendations was to increase future income taxes liabilities and to decrease retained earnings at the beginning of the fiscal year by $99,000.

Future Accounting Changes

Goodwill and Other Intangible Assets

In 2001, the Canadian Institute of Chartered Accountants issued Section 3062, "Goodwill and Other Intangible Assets". Under the new rules, goodwill and other intangible assets resulting from business combinations and having an indefinite useful life are no longer amortized, but rather tested for impairment annually, in accordance with the new rules, namely by conducting an initial impairment test whereby any resulting impairment would be included in the opening retained earnings balance. The Company will apply the same rules effective as of the first quarter of fiscal 2003 and will perform the initial impairment test on or before August 31, 2002.

The Company is currently assessing the impact of adopting the new standards on its consolidated financial statements. The application of the new standards should have a positive impact on net income, since goodwill will no longer be amortized, but rather tested for impairment annually. Following the application of the initial impairment test, on or before August 31, 2002, the Company will know if an impairment charge and a reduction of the retained earnings will be necessary. Then, the Company will have to evaluate and record the adjustment, if any, prior to February 28, 2003. Under the new rules, the Company must test goodwill for impairment at the business unit level, rather than at the acquisition level itself or the Company as a whole. In addition, the implicit fair value of the business unit will be determined based on discounted future income rather than on undiscounted future income. As mentioned previously, any transitional loss in value resulting from the initial impairment test will have no impact on the Company's earnings for fiscal 2003.

Stock-Based Compensation and Other Stock-Based Payments

In 2001, the Canadian Institute of Chartered Accountants issued Section 3870, "Stock-Based Compensation and Other Stock-Based Payments" for fiscal years beginning on or after January 1, 2002. This Section establishes standards for the recognition, measurement and information regarding the exchange for goods and services and applies to transactions, including non-reciprocal transactions, in which an enterprise grants shares of common stock, stock options, or other equity instruments, or incurs liabilities based on the price of common

stock or other equity instruments. This Section sets out a fair value based method of accounting and is required for certain stock-based transactions, and awards entered into or granted on or after that date. The Company does not believe that the adoption of this new Section will have any material impact on its consolidated financial statements.

Operating Results

During the fiscal year ended February 28, 2002, MAAX achieved sales of $518.5 million, compared with $477.8 million for the previous fiscal year. This increase of 8.5% or $40.7 million came entirely from internal growth, driven by the positive impact of the Company's product line rollout initiatives, the launch of new products and new marketing synergies, combined with a weakening of the Canadian dollar in relation to its U.S. counterpart.

On a geographical basis, U.S. sales rose 10.9% to $354.2 million and accounted for 68.3% of consolidated sales in fiscal 2002. Canadian sales increased by 7.4% to reach $148.2 million and account for 28.6% of total sales. Finally, international sales amounted to $16.0 million, a decrease of 21.1%, to represent 3.1% of the consolidated total. The decline in the European market was due to even more difficult economic conditions than in North America.

Over the past year, MAAX achieved further breakthroughs with plumbing wholesalers and specialized boutiques, increasing sales to such customers by 7.6% to $204.6 million. Sales to home improvement centres grew by 10.9% to reach $212.0 million. Sales to spa retailers rose 6.2% to $68.9 million, while sales to kitchen retailers rose 4.1% to $33.0 million.

On a segmented basis, sales of bathroom and kitchen products rose 9.0% to $442.3 million and accounted for 85.3% of consolidated sales. Spa sales rose 5.8% to $76.2 million, representing 14.7% of the Company's total sales.

Operating income (before R&D expenses, financial expenses, depreciation and amortization) for the last fiscal year totalled $66.3 million, compared with $65.0 million for the prior year. Two separate factors were behind this 1.9% increase in operating income. The bathroom and kitchen segment capitalized on solid sales growth and the operational and marketing synergies resulting from the integration plan implemented during the 2000 and 2001 fiscal years to raise its income before taxes and amortization of goodwill by 17.8% to $41.5 million. This segment therefore posted a profit margin of 9.4%, up from 8.7%. However, the spa segment had trouble achieving an operating profit, closing the fiscal year with a loss before taxes and amortization of goodwill of $4.3 million as opposed to a profit of $0.6 million at the end of the previous year. To apply the necessary corrective measures, management carried out a complete overhaul of operations at this segment's three plants, completing the process in the third quarter of fiscal 2002.

Research and development expenses held virtually steady at the fiscal 2001 level, at $2.7 million. Sustained R&D investments, year after year, have led to the launch of several new products instrumental in securing the foothold of the product lines covering the two business segments across North America.

Financial expenses fell 13.3% to $8.0 million on account of a reduction in indebtedness and more advantageous interest rates. Depreciation and amortization expenses amounted to $18.3 million, an increase of 6.9% connected mainly with the higher investments made in fiscal 2001.

After accounting for income taxes of $12.7 million and net amortization of goodwill of $2.8 million, the Company posted net income of $21.7 million or $0.92 per share, compared with $22.0 million or $0.93 per share a year earlier.

The Company's effective tax rate matches the weighted average of statutory tax rates. The effective tax rate went from 32.2% in 2001 to 35.6% in 2002.

Quarterly Results (Unaudited)

(in thousands of dollars except per-share amounts)

	Q1	Q2	Q3	Q4
Fiscal year ended February 28, 2002				
Sales	**$134,665**	**$132,063**	**$126,843**	**$124,889**
Income before income taxes and amortization of goodwill	**$ 11,756**	**$ 10,989**	**$ 8,130**	**$ 6,345**
Net income	**$ 6,790**	**$ 6,599**	**$ 4,760**	**$ 3,576**
Earnings per share:				
• Basic	**$ 0.29**	**$ 0.28**	**$ 0.20**	**$ 0.15**
• Diluted	**$ 0.28**	**$ 0.28**	**$ 0.20**	**$ 0.15**
Weighted average number of shares outstanding	**23,688**	**23,689**	**23,691**	**23,727**
Fiscal year ended February 28, 2001				
Sales	$133,395	$125,231	$113,815	$105,355
Income before income taxes and amortization of goodwill	$ 12,228	$ 13,303	$ 7,454	$ 2,869
Net income	$ 7,409	$ 8,092	$ 4,158	$ 2,322
Earnings per share:				
• Basic	$ 0.31	$ 0.34	$ 0.18	$ 0.10
• Diluted	$ 0.31	$ 0.34	$ 0.17	$ 0.10
Weighted average number of shares outstanding	23,718	23,773	23,774	23,774

The Company's financial performance in the first half of fiscal 2002 sustained the impact of the sharp downturn in the North American and European economies, which occurred right when MAAX was starting to benefit from the operational and marketing synergies arising from the application of the business integration plan implemented over the previous two years. Consequently, the Company closed the first half of fiscal 2002 with a 3.1% increase in consolidated sales and a 13.6% decrease in net income. As of the third quarter however, the Company successfully capitalized on its growing capacity to deliver marketing, operational and administrative synergies while building upon more auspicious economic conditions in the home improvement and construction industries. The second half of the fiscal year therefore closed with increases of 28.6% in net income and 14.9% in sales. This last gain was due entirely to internal growth.

Cash Flows

During fiscal 2002, operating cash flows totalled $44.0 million or $1.86 per share, up slightly over the prior year. After accounting for changes in non-cash working capital items, operating activities provided cash of $46.9 million.

With regard to inventories of finished products, the turnover ratio rose from 10.0 to 14.0 due to an improvement in just-in-time deliveries. The turnover ratio for inventories of raw materials improved from 5.0 to 6.0. The average accounts receivable collection period went from 67 to 66 days despite the institution of a new payment policy by a major customer.

During fiscal 2002, MAAX earmarked $19.9 million for its capital expenditure program, specifically for the expansion of the C.E. Cabinets plant, the purchase of new production equipment for this facility, the rollout of the new management information system, and the ongoing plant automation program.

These investments, including the repayment of a net amount of $21.4 million in long-term debt, and the payment of $3.3 million in dividends to holders of common shares, were all financed by operating cash flows.

After accounting for these various cash inflows and outflows, the Company had cash of $1.3 million as at February 28, 2002.

Financial Position

MAAX reinforced its already strong financial structure during the 2002 fiscal year.

Working capital rose from $87.4 million as at February 28, 2001 to $94.5 million as at February 28, 2002, pushing the current ratio from 2.52:1 to 2.55:1.

During fiscal 2002, the Company issued US$45.5 million senior unsecured notes to American investors. The notes bear interest at the annual rate of 6.7% and are fully redeemable upon maturity in October 2008. The proceeds from this financing were used entirely for the repayment of a portion of the Company's existing credit facilities.

Shareholders' equity totalled $265.0 million as of fiscal 2002 year-end, compared with $242.7 million a year earlier. This growth was due to the contribution of net income for the fiscal year and the $3.2 million increase in the cumulative translation adjustment.

At the end of fiscal 2002, the long-term debt to total capitalization ratio stood at 22.5% versus 27.7% a year earlier. Including the current portion of long-term debt and bank loans, the Company's total debt amounted to $83.1 million, compared with $104.9 million as at February 28, 2001.

Outlook, Requirements and Sources of Funds

Management is confident that MAAX can deliver a solid financial performance in fiscal 2003. Building upon rollout of its new North American sales and marketing program, management is aiming for internal sales growth of at least 10%. The Company intends to capitalize on this growth, a turnaround in profitability in the spa segment, and a further improvement in profit margins in the bathroom and kitchen segment to generate growth of at least 15% in earnings per share, excluding amortization of goodwill for the comparable fiscal years.

MAAX plans to spend approximately $20.0 million on capital expenditure projects, an amount equivalent to forecast depreciation expenses.

In 2003, operating cash flows should be sufficient to cover the funds required for these projects and the scheduled long-term debt repayments. As at February 28, 2002, MAAX also had more than $100.0 million in unused credit facilities to finance its future growth and to take advantage of any acquisition opportunities that might arise in fiscal 2003.

Risk Factors

Competition

In carrying on its business, MAAX competes against a number of corporations including several multinationals. However, management believes that the Company stands apart from its main competitors due to its innovative product designs and the efficiency of its distribution network and customer service. In addition, its ability to offer a full range of bathroom products, spas and kitchen cabinets represents a considerable advantage for customers who can thus deal with a single supplier.

Management believes that the quality-to-price value of the Company's products, their design, the development of new technologies through research and development, and its strategic geographical expansion across the United States and Canada, provide it with a competitive edge in the bathroom product, kitchen and spa markets. In management's opinion, market trends indicate sustained growth in the demand for bathroom products, spas and kitchen cabinets. Moreover, the Company is poised to meet this greater demand given its specific expertise in these segments and its investments in new technologies.

The acquisitions made in United States, Canada and Europe over the past few years will allow the Company to aggressively develop the U.S., Canadian and European markets. The Company also believes that the development and marketing of new products within the last year have improved its competitive position among home improvement centres, wholesalers and specialized plumbing boutiques in both Canada and the United States.

Dependence on a Customer

The Company's customers consist mainly of plumbing wholesalers, home centres, specialty showrooms, and pool and spa distributors. A single customer, specifically a chain of home improvement centres, accounted for approximately 29% of the Company's consolidated sales for the fiscal year ended February 28, 2002. According to management, business relations with this customer have been solid for several years, and the proportion of sales to this customer matches the share of the North American home improvement product market held by this same customer. Moreover, the Company sells several distinct categories of products on a national or regional basis and has set up a structure specifically adapted to this customer. The Company's twelve major customers accounted for about 40% of its consolidated sales in 2002.

Supply

The Company requires a reliable supply of resin, polyester, fibreglass, acrylic, thermoplastic, aluminum, steel, tempered glass, wood and particleboard, pumps, accessories, faucet components and packaging materials.

The Company purchases resin from various suppliers with plants in both Canada and the United States. Some resins are also used in the manufacture of thermoplastic sheets. Fibreglass is purchased from a single supplier, but other suppliers are available if necessary. Two American manufacturers supply acrylic sheets. There is more than one supplier for pumps, which come from the United States but are distributed by Canadian suppliers. Aluminum and steel are purchased from Canadian, American and Asian suppliers. Tempered glass is purchased from various Canadian and American suppliers. Wood is purchased primarily from local suppliers. Faucet components are purchased from Canadian, European and Asian suppliers. Packaging materials are supplied locally.

The Company has never encountered difficulties obtaining raw materials in the past and does not expect any in the foreseeable future. All current suppliers have the capacity to serve all of the Company's divisions and subsidiaries in the United States and Canada. Negotiations with suppliers for all divisions and subsidiaries are effected through head office to ensure economies of scale. Suppliers are selected according to strict qualification standards enforced by the Company.

The price of raw materials is subject to fluctuations in the prices of the underlying commodities. Those commodities may undergo major price fluctuations and there is no certainty that the Company will be able to increase its selling prices equivalently if need be. In recent years, the Company has reacted to increases in raw material prices by seeking to identify supply alternatives in other geographical regions or substitute raw materials and by increasing its selling prices.

Foreign Exchange Risk

The Company conducts a substantial part of its business in the United States and can therefore be affected by fluctuating exchange rates. An appreciation in the Canadian currency could result in lower earnings or higher sales prices for its products on the American market and possibly a decrease in sales. However, the manufacturing presence of the Company on the U.S. market minimizes the impact of exchange rate fluctuations.

With regard to cash flows, the Company's supply agreements with its major suppliers of raw materials include clauses authorizing it to pay for purchases in either Canadian or U.S. currency, thus allowing a matching of sales in U.S. dollars with purchases in U.S. dollars, and lowering the risk factors related to exchange rate fluctuations. The Company controls its exposure to such risks by purchasing financial instruments such as forward exchange contracts. None of these instruments is held or issued for speculative purposes.

With regard to the management of assets and liabilities, the Company has contracted a debt in U.S. dollars to protect itself against the foreign exchange risk arising from permanent investments in foreign countries.

Environmental Considerations

The Company's manufacturing operations involve the use of certain chemicals subject to environmental control. An Environment Committee set up in June 1994 by the Board of Directors has a mandate to oversee all environmental aspects of the Company's business. Monthly reports are presented to the Company's management and a quarterly report is submitted to the Board of Directors. When considering acquisitions, the Company obtains environmental analyses and ensures that any necessary corrective measures are taken to comply with environmental standards. The Company is not currently aware of any material environmental problems, and environmental protection requirements should not have any major impact on the Company's earnings, capital expenditures or competitive position.

Furthermore, in 1997, MAAX undertook a program to reduce atmospheric emissions from its production facilities. The implementation of this program is the result of the joint efforts of the Company, its suppliers and concerned governmental authorities.

Labour Relations

The Company has some 2,800 full-time employees, including 1,800 for its operations in Canada, 930 for its operations in the United States, and 70 for its operations in Europe. Currently, about 1,100 production employees are unionized and eight plants are subject to collective agreements. The Company accords high priority to the maintenance of good relations with its staff and believes it has achieved this objective.

Interest Rate Fluctuations

Interest rate levels and fluctuations can have a direct impact on the Company's profitability. During fiscal 2002, the Company entered into an interest rate swap on the US$45.5 million senior unsecured notes maturing in December 2003. The swap converted the fixed interest rate to a variable interest rate and, accordingly, most of the existing long-term debt as at February 28, 2002 to variable rates. The Company estimates that its current low indebtedness limits the impact of short-term rate fluctuations.

Sensitivity to Economic Cycles

The Company's business is likely to fluctuate with economic cycles. However, management believes that the Company's solid positioning in the home improvement market helps offset this sensitivity since this segment is less cyclical than new construction. In fiscal 2002, sales targeted to the home improvement market accounted for 70% of the Company's total sales, whereas sales related to new construction accounted for 30%.

Credit Risk

The Company is exposed to the credit risk on its customers' accounts receivable. In order to reduce its risk, the Company monitors its customers' financial condition on a regular basis and establishes a credit rating for any new customers. An allowance for doubtful accounts is established in terms of its customers' specific credit risk, historical trends and economic circumstances. The Company does not believe it is exposed to a higher credit risk than normal.

The Company believes that the diversity of its customer base, by product and by geographical region, reduces its credit risk and protects it against abrupt fluctuations in the demand for its products.

Richard Garneau
Executive Vice-President
and Chief Financial Officer

Marie-France Poulin
Executive Vice-President, Sales

Management's Report

The consolidated financial statements of MAAX Inc. and the other financial information contained in this annual report are the responsibility of the Company's management and have been approved by the Board of Directors. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include amounts established according to the most probable assumptions made by management and based on prudent judgment.

To fulfill its obligations, the Company's management sees to the maintenance of adequate accounting records, the establishment of satisfactory internal controls to safeguard its assets, and the development of policies and procedures to provide assurance as to the reliability of the information.

The external and internal auditors have unrestricted access to the Audit Committee to discuss any matter relevant to their audit. This Committee is responsible for examining the financial statements and recommending their approval to the Board. It is also responsible for recommending the appointment or renewal of the term of the external auditors.

The external auditors appointed by the shareholders are responsible for auditing the consolidated financial statements and expressing an opinion based on their audit.

André Héroux

President and Chief Operating Officer
André Héroux

Executive Vice-President and Chief Financial Officer
Richard Garneau

Sainte-Marie, Québec
April 19, 2002

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of MAAX Inc. as at February 28, 2002 and 2001 and the consolidated statements of income and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Quebec, Canada
April 19, 2002

Consolidated Balance Sheets

As at February 28, 2002 and 2001
(in thousands of dollars)

	2002	2001
Assets		
Current assets:		
Cash	$ 1,298	$ –
Accounts receivable	80,583	61,474
Inventories (note 2)	66,134	73,158
Income taxes recoverable	–	3,147
Prepaid expenses	4,194	5,026
Future income taxes (note 7)	3,259	2,187
	155,468	144,992
Fixed assets (note 3)	129,646	126,809
Goodwill (note 4)	127,389	128,783
Other assets	3,090	4,020
Future income taxes (note 7)	5,648	3,592
	$ 421,241	$ 408,196
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank overdrafts	$ –	$ 644
Bank loans (note 5)	4,404	5,312
Accounts payable and accrued liabilities	53,128	44,948
Income taxes payable	1,934	–
Current portion of long-term debt (note 6)	1,513	6,729
	60,979	57,633
Long-term debt (note 6)	79,142	92,870
Future income taxes (note 7)	16,140	14,958
Shareholders' equity:		
Capital stock (note 8)	144,832	143,940
Balance payable in shares on business acquisition (note 8)	720	960
Retained earnings	108,655	90,230
Cumulative translation adjustment	10,773	7,605
	264,980	242,735
Commitments and contingencies (note 16)	$ 421,241	$ 408,196

See accompanying notes to consolidated financial statements.

On behalf of the Board,

Director *Director*

Consolidated Statements of Income

Years ended February 28, 2002 and 2001
(in thousands of dollars, except per share amounts)

	2002	2001
Sales	$ 518,460	$ 477,796
Expenses:		
Operating	452,208	412,770
Research and development	2,660	2,751
Financial (note 9)	8,024	9,253
Amortization (note 9)	18,348	17,168
	481,240	441,942
Income before income taxes and amortization of goodwill	37,220	35,854
Income taxes (note 7)	12,676	11,092
Income before amortization of goodwill	24,544	24,762
Amortization of goodwill, net of income taxes (note 7)	2,819	2,781
Net income	$ 21,725	$ 21,981
Earnings per share (note 10):		
Basic:		
Before amortization of goodwill	$ [illegible]	$ 1.04
Net income	[illegible]	0.93
Diluted:		
Before amortization of goodwill	1.00	1.03
Net income	[illegible]	0.91

See accompanying notes to consolidated financial statements.

Consolidated Statements of Retained Earnings

Years ended February 28, 2002 and 2001
(in thousands of dollars)

	2002	2001
Retained earnings, beginning of year	$ 90,230	$ 72,069
Change in accounting policy (note 1b)	–	(99)
Retained earnings, beginning of year, restated	90,230	71,970
Net income	21,725	21,981
	111,955	93,951
Premium paid on redemption of shares	[illegible]	(394)
Interests, net of income taxes from a shares purchase loan (note 8)	[illegible]	–
Dividends	[illegible]	(3,327)
	[illegible]	(3,721)
Retained earnings, end of year	$ 108,655	$ 90,230

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended February 28, 2002 and 2001
(in thousands of dollars)

	2002	2001
Cash provided by (used in):		
Operations:		
Net income	$ 21,725	$ 21,981
Items not affecting cash:		
Amortization	18,348	17,168
Amortization of goodwill	3,473	3,410
Amortization of financial expenses	650	665
Future income taxes	(157)	2,078
Operating cash flows	44,039	45,302
Changes in non-cash operating working capital (note 11)	2,896	9,957
	46,935	55,259
Financing:		
Decrease of bank loans	(938)	(346)
Increase in long-term debt	72,989	1,783
Repayment of long-term debt	(94,427)	(14,805)
Proceeds of issuance of shares	652	661
Redemption of shares	–	(1,689)
Interests, net of income taxes from a shares purchase loan	30	–
Dividends paid	(3,330)	(3,327)
	(25,024)	(17,723)
Investments:		
Business acquisitions (note 16b)	(200)	(873)
Additions to fixed assets	(19,947)	(30,383)
Proceeds from disposal of fixed assets	1,488	520
Goodwill	–	(482)
Other assets	(1,369)	(2,277)
	(20,028)	(33,495)
Increase in cash	1,883	4,041
Translation adjustment on cash (bank overdrafts) denominated in foreign currencies	59	(199)
Bank overdrafts, beginning of year	(644)	(4,486)
Cash (bank overdrafts), end of year	$ 1,298	$ (644)

See accompanying notes to consolidated financial statements.

(tabular amounts are expressed in thousands of dollars)

The Company is incorporated under the Quebec Companies Act. Its principal business activity is to design, develop, manufacture and distribute bathroom and kitchen products and spas.

Significant Accounting Policies:

a) Consolidation:
The consolidated financial statements include the accounts of MAAX Inc. and all its subsidiaries, (the "Company") and are prepared in accordance with Canadian generally accepted accounting principles.

b) Change in accounting policy:
During the year 2002, the Company has retroactively adopted the new recommendations of the Canadian Institute of Chartered Accountants' Handbook, section 3500, dealing with earnings per share. These new recommendations require the disclosure of the calculation of basic and diluted earnings per share and the use of the treasury stock method for calculating the dilutive impact of stock options. All earnings per share amounts disclosed for comparison have been restated.

During the year 2001, the Company adopted retroactively, without restatement of prior years' financial statements, the new recommendations of the Canadian Institute of Chartered Accountants' Handbook, section 3465, Income Taxes. The cumulative effect of adopting the new recommendations was to increase future income taxes liabilities and to decrease retained earnings at beginning of year by $99,000.

c) Inventories:
Raw materials are valued at the lower of cost and replacement cost. Work in progress and finished goods are valued at the lower of cost and net realizable value.

Cost is determined using the first-in, first-out basis.

d) Fixed assets:
Fixed assets are stated at cost including capitalized interests, net of government grants and investment tax credits. Amortization is calculated using the following methods, rates and periods:

Assets	Methods	Rates and periods
Paving	Diminishing balance	4%
Buildings	Straight-line	40 years
Moulds and dies	Straight-line	2 to 7 years
Furniture and equipment	Diminishing balance	10% and 20%
Data processing system	Diminishing balance or straight-line	15% and 30% or 15 years
Automotive equipment	Diminishing balance	20% and 30%

e) Goodwill:
Goodwill represents the excess of the purchase price over the fair value of net assets of acquired businesses and is amortized using the straight-line method over periods not exceeding 40 years.

The unamortized portion of goodwill is compared regularly with the expected undiscounted future income and, in case of impairment, the carrying value of goodwill would be written down.

Significant Accounting Policies (continued):

f) Other assets:

Deferred costs including deferred financing charges, stated at cost less accumulated amortization, are amortized using the straight-line method over 3 and 7 years.

g) Revenue recognition:

Sales are recognized upon the delivery of the products and at the date the transfer of ownership risks and benefits to the customers occurs. Sales represent gross sales less volume rebates, customers' discounts and transportation expenses.

h) Income taxes:

The Company uses the asset and liability method to account for income taxes. Future income taxes originating from temporary differences between the carrying value and the tax basis of assets and liabilities are measured using enacted or substantially enacted tax rates and tax laws in effect for the year in which those temporary differences are expected to be recovered or settled.

i) Foreign currency translation:

Self-sustaining foreign operations

Net assets of self-sustaining foreign operations are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Revenue and expenses are translated using the average exchange rate of the year. Exchange gains and losses arising from the translation are deferred and included in a separate item of shareholders' equity and will be included in income when there will be a reduction in the net investment in these foreign operations.

Foreign currencies transactions

Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the end of the year. Other assets and liabilities are translated at exchange rates prevailing at the respective transaction dates. Exchange gains or losses are included in income. Items affecting income are translated at the exchange rate prevailing at the respective transaction dates.

Long-term debt in US dollars

A portion of the Company's long-term debt has been identified as a hedge against the net investment in the US self-sustaining operations. Any exchange gain or loss on the hedge would be recorded against the exchange loss or gain arising on translation of the financial statements of the foreign operations included in the separate component of shareholders' equity. Exchange gain or loss on the remaining of the US debt is included in the current year income. The Company has adopted early the recommendations issued in the Canadian Institute of Chartered Accountants Handbook Section 1650, "Foreign Currency Translation".

j) Stock-based compensation plan:

The Company has a stock-based compensation plan, which is described in note 8. No compensation expense is recognized for this plan when stock options are issued to employees. Any consideration paid by employees on exercise of stock options is credited to capital stock.

k) Derivative financial instruments:

The Company uses various derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. The income or expense resulting from the use of these instruments is included in net

Derivative financial instruments (continued):
income for the period and in the same financial statement category as the income or expense arising from the corresponding hedged position. Unrealized gains and losses are not recognized until the maturity of the underlying instrument. The Company does not hold or issue any instruments for speculative purposes.

l) Use of estimates:
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Significant areas requiring the use of management estimates relate to the useful life of assets for amortization purposes and for the evaluation of their net recoverable amount, the provisions for doubtful accounts, obsolete inventory, warranty and income taxes. Accordingly, actual results could differ from these estimates.

m) Future accounting changes:
Goodwill and other intangible assets
In 2001, the Canadian Institute of Chartered Accountants issued Section 3062, "Goodwill and other intangible assets". Under these new rules, goodwill and other intangible assets resulting from business combinations and having an indefinite useful life are no longer amortized, but rather tested for impairment annually, in accordance with the new rules, namely by conducting an initial impairment test whereby any resulting impairment would be included in the opening retained earnings balance. The Company will apply the same rules effective as of the first quarter of 2003 and will perform the initial impairment test on or before August 31, 2002.

The Company is currently assessing the impact of adopting the new standards on its future consolidated financial statements. The application of the new standards should have a positive impact on net income, since goodwill will no longer be amortized, but rather tested for impairment annually. Following the application of the initial impairment test, on or before August 31, 2002, the Company will know if an impairment charge and a reduction of the retained earnings will be necessary. Then, the Company will have to evaluate and record the adjustment, if any, prior to February 28, 2003. Under the new rules, the Company must test goodwill for impairment at the business unit level, rather than at the acquisition level itself or the Company as a whole. In addition, the implicit fair value of the business unit will be determined based on discounted future income rather than on undiscounted future income. As mentioned previously, any transitional loss in value resulting from the initial impairment test will have no impact on the Company's earnings for fiscal 2003.

Stock-based compensation and other stock-based payments
In 2001, the Canadian Institute of Chartered Accountants issued Section 3870, "Stock-Based Compensation and Other Stock-Based Payments" for fiscal years beginning on or after January 1, 2002. This Section establishes standards for the recognition, measurement and information regarding the exchange for goods and services and applies to transactions, including non-reciprocal transactions, in which an enterprise grants shares of common stock, stock options, or other equity instruments, or incurs liabilities based on the price of common stock or other equity instruments. This Section sets out a fair value based method of accounting and is required for certain stock-based transactions, and awards entered into or granted on or after that date. The Company does not believe that the adoption of this new Section will have a material impact on its consolidated financial statements.

Inventories:

	2002	2001
Raw materials	**$ 39,112**	$ 41,609
Work in progress and finished goods	**27,022**	31,549
	$ 66,134	$ 73,158

Fixed Assets:

			2002	2001
	Cost	Accumulated amortization	**Net book value**	Net book value
Lands and paving	$ 8,979	$ 277	**$ 8,702**	$ 8,928
Buildings	67,542	10,608	**56,934**	58,299
Moulds and dies	23,159	14,456	**8,703**	8,382
Furniture and equipment	66,940	36,145	**30,795**	32,542
Data processing system	21,071	7,463	**13,608**	10,780
Automotive equipment	6,184	4,128	**2,056**	2,628
Projects in progress:				
Equipment	8,848	–	**8,848**	5,250
	$ 202,723	$ 73,077	**$ 129,646**	$ 126,809

Capitalized interests included in the fixed assets amount to $401,000 during 2002 ($186,000 in 2001).

Goodwill:

	2002	2001
Goodwill at cost	**$ 143,994**	$ 141,638
Less accumulated amortization	**16,605**	12,855
	$ 127,389	$ 128,783

Bank Loans:

Bank loans, of an authorized amount of US$3,000,000 and EURO 2,269,000, bear interest at the bank prime rate and the bank prime rate plus 1% respectively. As at February 28, 2002, these rates are 4.75% and 4% respectively.

Long-Term Debt:

	Effective interest rates as at February 28, 2002	Years of maturity	2002	2001
Revolving credit (a)	2.95%	2005	**$ –**	$ 87,470
Senior unsecured notes, US$45,500 (b)	6.7%	2009	**72,891**	–
Revolving loan, EURO 2,070 (EURO 2,184 in 2001), secured by land, buildings and other assets (c)	4.5%	2003-2022	**2,882**	3,098
Loan, EURO 709 (EURO 993 in 2001), secured by land, buildings and other assets	5.6%	2003-2005	**987**	1,408
Notes payable	8.3%	2003-2005	**1,550**	1,686
Other	Various	2003-2005	**345**	5,937
			78,655	99,599
Current portion of long-term debt			**1,513**	6,729
			$ 77,142	$ 92,870

a) The Company has a revolving credit of an amount of $150,000,000 or the equivalent in U.S. dollars to finance its current operations, capital expenditures and business acquisitions. The revolving credit may be extended annually subject to the approval of the lender. In the case of non-renewal, the revolving credit will become a term loan payable in two years. The agreement governing this credit contains covenants including the maintaining of certain financial ratios.

   The revolving credit bears interest at floating rates based on banker's acceptance rate, bank prime rate or LIBOR.

b) During the year, the Company issued US$45,500,000 senior unsecured notes. The notes bear interest at the annual rate of 6.7% and are fully redeemable upon maturity in October 2008. The proceeds from this financing were used entirely for the repayment of a portion of the Company's existing credit facilities.

   The agreement governing these notes contains covenants including the maintaining of certain financial ratios.

c) The revolving loan bears interest at the Euribor rate plus 1%.

   The principal repayments on long-term debt, for each of the next five years are as follows: 2003 – $1,513,000; 2004 – $1,388,000; 2005 – $611,000; 2006 – $615,000 and 2007 – $581,000.

Income Taxes:

Total income tax expense is allocated as follows:

	2002	2001
Income taxes	**$ 12,676**	$ 11,092
Amortization of goodwill	**(654)**	(629)
	$ 12,022	$ 10,463

Income tax expense attributable to income consists of:

	2002	2001
Current	**$ 12,179**	$ 8,385
Future	**(157)**	2,078
	$ 12,022	$ 10,463

The reconciliation between income tax expense calculated using combined statutory and effective tax rates is as follows:

	2002		2001	
	$	%	$	%
Income tax expense calculated using statutory rates	**12,548**	**37.2**	12,070	37.2
Add (deduct) tax effect of the following:				
Credit for manufacturing and processing profits	**(800)**		(713)	
Effect of non-deductible charges and/or resulting from tax rate reduction	**(3)**		142	
Reduction of tax rate related to foreign income and other differences	**277**		(1,036)	
	(526)	**(1.6)**	(1,607)	(5.0)
	12,022	**35.6**	10,463	32.2

Income Taxes (continued):

The tax effects of significant items comprising the Company's net future tax liability are as follows:

	2002	2001
Operating losses carried forward	**$ 5,430**	$ 3,183
Difference in accounting and tax basis for:		
Current assets and liabilities	**3,145**	2,395
Fixed assets	**(11,711)**	(9,533)
Goodwill	**(6,081)**	(4,937)
Other assets	**(103)**	(239)
Other	**87**	52
Valuation allowance	**–**	(100)
Total future income taxes	**$ (9,233)**	$ (9,179)
Future income taxes are as follows:		
Future income tax asset – current portion	**$ 3,259**	$ 2,187
Future income tax asset – long-term portion	**5,648**	3,592
Future income tax liability – long-term portion	**(18,140)**	(14,958)
Total future income taxes	**$ (9,233)**	$ (9,179)

The Company has not recognized a future tax liability for the undistributed earnings of its subsidiaries in the current and prior years because the Company currently does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future. A future tax liability will be recognized when the Company expects that it will recover those undistributed earnings in a taxable manner, such as sale of the investment or through receipt of dividends.

Capital Stock:

Authorized in unlimited number and without par value:

Class A and class B preferred shares, non-participating and non-voting. The Company's statutes authorize the issuance of class A and class B preferred shares in one or several series and allow directors to determine the quantity and designation of each series of shares and their attributes, without requiring the approval of the shareholders.

Common shares.

	2002	2001
Issued and paid (in thousands):		
23,843 common shares (23,774 in 2001)	**$ 144,832**	$ 143,940

Capital Stock (continued):

Shares purchase loan:
In January 2001, a loan of $917,000, recorded as a reduction of capital stock, was granted to a senior executive for the purchase of 100,000 common shares of the Company. This loan is payable over three years and bears interest, payable quarterly, at lender's rate. During the year 2002, an amount of $153,000 has been reimbursed representing 16,667 shares. Interest income, net of related income taxes, are credited to retained earnings. The loan is secured by the shares and they are released proportionally to the cash consideration received by the Company. As at February 28, 2002, the market value of these secured shares, being 83,333 shares, is $1,233,000.

Shares reserved:
The Company has reserved 45,000 common shares (60,000 in 2001) at $16 per share, in connection with the balance payable in shares on business acquisition, which will be issued over a two-year period. During the year 2002, 15,000 common shares (15,000 in 2001) have been issued and an amount of $240,000 ($240,000 in 2001) has been credited to the capital stock.

Stock option purchase plan:
Under the 1987 stock option purchase plan for the benefit of senior executives and management of the Company, 3,572,980 common shares were reserved. The exercise price of each option granted is based on the closing price on the Toronto Stock Exchange market on the day prior to the granting of such option. The plan provides for a maximum option term of ten years, or earlier in cases of termination of employment, retirement or death. The holder may exercise these options, subject to an annual limit of 20%, such limit being cumulative during the first five years.

A summary of the status of the stock option purchase plan as at February 28, 2002, and 2001, and changes during the years ended on those dates is presented below:

		2002		2001
	Options	**Weighted-average exercise price**	Options	Weighted-average exercise price
Outstanding at beginning of year	**1,697,200**	**$ 11.68**	1,450,900	$ 11.71
Granted	**90,000**	**10.17**	460,000	11.11
Exercised	**(54,400)**	**9.17**	(103,900)	6.37
Cancelled	**(126,000)**	**11.48**	(109,800)	14.79
Outstanding at end of year	**1,606,800**	**$ 11.69**	1,697,200	$ 11.68
Options exercisable at end of year	**981,400**	**$ 11.39**	799,800	$ 10.50

Capital Stock (continued):

Stock option purchase plan (continued) :
The following table summarized information about stock options outstanding at February 28, 2002:

	Options outstanding			Options exercisable	
Range of exercise price	Number	Average remaining life	Weighted-average exercise price	Number	Weighted-average exercise price
\$ 1.75 to \$ 6.20	244,100	3,2 years	\$ 4.82	244,100	\$ 4.82
\$ 9.25 to \$13.00	920,700	7,2 years	11.06	438,700	11.19
\$15.40 to \$19.05	442,000	6,7 years	16.80	298,600	17.05
\$ 1.75 to \$19.05	1,606,800	6,5 years	\$ 11.69	981,400	\$ 11.39

Under this plan, 560,780 stock options may be granted at the end of the year.

Information on the Statement of Income:

	2002	2001
Financial expenses:		
Interest on long-term debt	**\$ 6,346**	\$ 8,117
Other interest and financial expenses	**1,238**	925
Amortization of deferred financing charges	**650**	665
Interest income	**(210)**	(454)
	\$ 8,024	\$ 9,253
Amortization:		
Fixed assets	**\$ 16,699**	\$ 15,534
Deferred costs	**1,649**	1,634
	\$ 18,348	\$ 17,168

Earnings per Share:

Basic earnings per share are calculated by dividing net income to holders of common shares by the weighted daily average number of common shares outstanding during the year.

Diluted earnings per share are calculated by using the weighted average number of common shares outstanding adjusted to include potentially dilutive effect of the shares purchase loan, the conversion in common shares of stock options plan and of balance payable on business acquisition.

(in thousands)	**2002**	2001
Weighted average number of common shares outstanding	**23,711**	23,759
Potentially dilutive effect	**356**	276
Weighted average number of common shares and dilutive common shares	**24,067**	24,035

11 Supplemental Cash Flows Information:

	2002	2001
Changes in non-cash operating working capital:		
Accounts receivable	**$ (18,582)**	$ 11,434
Inventories	**8,060**	621
Prepaid expenses	**916**	(349)
Accounts payable and accrued liabilities	**7,453**	(7,171)
Income taxes	**5,049**	1,727
Immigrant investment	**–**	3,695
	$ 2,896	$ 9,957
Non-cash transactions excluded from consolidated cash flows:		
Issuance of common shares on the balance payable in shares	**$ 240**	$ 240
Write-off of accounts payable in reduction of goodwill	**–**	485
Acquisition of fixed assets included in the accounts payable at year-end	**–**	894
Cash outflows (inflows) during the year related to:		
Interest	**5,408**	8,964
Income taxes	**10,851**	9,647
Income taxes	**(3,818)**	(1,755)

12 Pension Plans:

The Company maintains defined contribution pension plans for certain employees. The pension expenses related to those pension plans amount to $873,000 during 2002 ($727,000 in 2001).

13 Financial Instruments and Risk Management:

The Company operates and sells its products internationally and is therefore exposed to risks related to foreign exchange fluctuations and credit risk. The Company is also exposed to interest rates fluctuations.

Foreign exchange risk management:
The Company uses certain derivative financial instruments to reduce its exposure to foreign currency risk. The notional amounts of derivative financial instruments shown in the following table represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market or credit risk of such instruments. The notional amounts represent the amounts to which an exchange rate will be applied to determine the amount of cash flows to be exchanged. None of these instruments is held or issued for speculative purposes.

Financial Instruments and Risk Management (continued):

Foreign exchange risk management (continued):

Forward exchange contracts in U.S. dollars:

	2002		2001	
Maturity	**Notional amounts**	**Average rate**	Notional amounts	Average rate
2002	**$ –**	**–**	$ 38,550	1.4714
2003	**24,000**	**1.4775**	27,000	1.4907

Interest rate risk management:

The Company has entered into an interest rate swap agreement by which it is committed to exchange, at specific intervals, the difference between the fixed and floating interest rates calculated by reference to the notional amounts.

During the year 2002, the Company has entered into an interest rate swap agreement to convert from fixed to variable interest rate, based on the three-month LIBOR rate, on the US$45,500,000 senior unsecured notes. This agreement will expire in December 2003.

Credit risk management:

The Company is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the Company monitors the financial condition of its customers on a regular basis and establishes the credit rating of all new customers. An allowance for doubtful accounts is established to cover the specific credit risk of its customers, historical trends and economic circumstances. The Company does not believe that it is exposed to an unusual level of credit risk.

During the year 2002, the Company has sold on a quarterly basis a portion of its accounts receivable, under the terms of a factoring agreement. As at February 28, 2002, an amount of $16,803,000 ($17,100,000 as at February 28, 2001) has been sold under the terms of this agreement. Interest expenses related to this agreement for a total amount of $288,000 ($52,000 in 2001) have been recorded in the financial expenses.

The Company believes that the diversity of its customer base, by product and by region, reduces its credit risk and the impact of abrupt fluctuations in product demand.

Fair value of financial instruments:

The carrying amount of cash, accounts receivable, bank overdrafts, bank loans, accounts payable and accrued liabilities approximates their fair value as these items will be realized or paid within one year.

Financial instruments having a fair value different from their carrying amount as at February 28, 2002 and 2001 are:

	2002		2001	
	Carrying value	**Fair value**	Carrying value	Fair value
Long-term debt (1)	**$ (78,655)**	**$ (77,912)**	$ (99,599)	$ (99,599)
Interest rate swap	**–**	**586**	–	–
Forward exchange contract	**–**	**(1,871)**	–	(2,544)

(1) Including current portion

Financial Instruments and Risk Management (continued):

Fair value of financial instruments (continued):
The fair values of the financial liabilities are estimated based on discounted cash flows using year-end market yields or market value of similar instruments having the same maturity.

The fair values of the derivative financial instruments are estimated using year-end market rates, and reflect the amount that the Company would receive or pay if the instruments were closed out at those dates.

Segmented Information:

The Company designs, develops, manufactures and distributes products in two business segments, those being: bathroom and kitchen, and spas. The bathroom and kitchen segment includes sales of bathtubs and showers made of acrylic, fiberglass and ABS, as well as shower doors and medicine and kitchen cabinets. The business segments are managed separately because each business requires different technologies and marketing strategies. The management of the Company evaluates the performance of each segment based on income before income taxes and amortization of goodwill. Operations are located in Canada, United States and Europe.

The accounting policies used in these business segments are the same as those described in the significant accounting policies. Intersegment sales are recorded at the exchange value, which is the amount agreed to by the parties.

Approximately 29% (28% in 2001) of total sales originate from one client.

Reconciliations with the financial statements of revenues and assets by business segment and geographic segment are:

	2002	2001
By business segment:		
Sales:		
Bathroom and kitchen	**$ 442,332**	$ 405,843
Spas	**76,210**	71,969
Intersegment	**(82)**	(16)
	$ 518,460	$ 477,796
Income before income taxes and amortization of goodwill:		
Bathroom and kitchen	**$ 41,538**	$ 35,271
Spas	**(4,318)**	583
	$ 37,220	$ 35,854
Amortization of fixed assets and goodwill:		
Bathroom and kitchen	**$ 17,768**	$ 16,963
Spas	**2,404**	1,981
	$ 20,172	$ 18,944
Assets:		
Bathroom and kitchen	**$ 363,952**	$ 357,735
Spas	**57,289**	50,461
	$ 421,241	$ 408,196
Additions to fixed assets and goodwill:		
Bathroom and kitchen	**$ 18,145**	$ 31,413
Spas	**2,002**	2,110
	$ 20,147	$ 33,523

Segmented Information (continued):

	2002	2001
By geographic segment:		
Net sales, from Canadian facilities:		
Canada	**$ 148,214**	$ 137,534
United States	**114,176**	97,072
Overseas	**2,218**	3,162
	264,608	237,768
Net sales, from American facilities:		
Canada	**–**	523
United States	**240,043**	222,343
Overseas	**337**	–
	240,380	222,866
Net sales, from European facilities:		
Overseas	**13,472**	17,162
	$ 518,460	$ 477,796
Fixed assets and goodwill:		
Canada	**$ 143,416**	$ 141,350
United States	**86,486**	85,418
Europe	**27,133**	28,824
	$ 257,035	$ 255,592

Related Party Transactions:

Under an agreement signed with a shareholder company, the Company is committed to pay on an annual basis management fees and a 4.3% bonus calculated on consolidated income before bonus and income taxes. This agreement will expire on February 29, 2004.

Under this agreement, the Company recorded the following transactions during the year:

	2002	2001
Management fees	**$ 1,118**	$ 633
Bonus	**1,598**	1,803
	$ 2,716	$ 2,436

16 Commitments and Contingencies:

a) Business acquisition:
The acquisition agreement of Novi includes a price adjustment clause based on the final value of net assets acquired on a $1 for a $1 basis if these net assets are different from the amount stipulated in the agreement. The parties to this agreement are in arbitration process.

b) Contingent payment:
Some business purchase agreements provide for a contingent payment of a maximum amount of $9,949,000 based on future income of the acquired businesses up to 2005.

During the year, the Company has paid contingent consideration based on earnings to the seller of acquired businesses in previous years amounting to $200,000 ($873,000 in 2001).

c) Operating leases:
The Company rents fixed assets under operating leases whose rentals total $17,792,000. Annual rentals under these leases for each of the next five years are as follows: 2003 – $6,247,000; 2004 – $3,925,000; 2005 – $2,688,000; 2006 – $1,938,000; 2007 – $1,537,000 and thereafter – $1,457,000. In addition, the Company must pay, for certain leases, its share of the annual operating expenses.

Furthermore, the Company has two purchase options on buildings of $3,500,000 and $4,000,000 beginning in February 2002 and expiring at the end of each lease, being July and December 2006.

d) Royalties:
In connection with the purchase of Coleman Spas, Inc., the parties entered into a ten-year licensing agreement to use the Coleman Spas trademark and associated logos. As defined in the licensing agreement, the Company is required to make royalty payments equal to 1.5% of net sales up to September 30, 2004 and beginning October 1, 2004 through September 30, 2008, the royalty payments increase to 3% of net sales.

17 Comparative Figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Board of Directors

Placide Poulin [3]
Chairman of the Board
and Executive Committee,
MAAX Inc.

André Héroux [3]
President and Chief Executive Officer,
MAAX Inc.

Richard Garneau
Executive Vice-President
and Chief Financial Officer, MAAX Inc.

Marie-France Poulin
Executive Vice-President, Sales, MAAX Inc.

Raymond Garneau [1]
Chairman of the Board,
Industrial-Alliance Life Insurance Company

Louis Garneau [1]
President and Designer,
Louis Garneau Sports Inc.

Dennis Wood [3]
Chairman of the Board,
President and Chief Executive Officer,
Dennis Wood Investments

Marcel Dutil [3]
President and Chief Executive Officer,
Canam Manac Group Inc.

Jean-Guy Paquet [2]
President and Chief Executive Officer,
National Optics Institute

Paul Bilodeau [1, 2]
Chartered Administrator

[1] *Member of the Audit Committee*
[2] *Member of the Environmental Committee*
[3] *Member of the Corporate Governance Committee*

Officers

Members of the Executive Committee

Placide Poulin
Chairman of the Board
and Executive Committee

André Héroux [1]
President and Chief Executive Officer

Richard Garneau [1]
Executive Vice-President and Chief Financial Officer

Marie-France Poulin [1]
Executive Vice-President, Sales

David Poulin [1]
Executive Vice-President,
Operations

[1] *Also member of the Strategic Committee*

Members of the Strategic Committee

Guy Bérard
Vice-President and General Manager,
Kitchen Cabinets

Benoît Boutet
Corporate Director of Finance

Patrice Hénaire
Corporate Vice-President, Marketing and R&D

Terry Rake
Vice-President and General Manager, Spas Sector

Jean Rochette
Vice-President and General Manager,
Bathroom Products Sector – Canada

Dan Stewart
Vice-President and General Manager,
MAAX KSD

Michel Tremblay
Corporate Vice-President,
Information Technology

Larry Winters
Vice-President and General Manager,
Bathroom Products Sector – United States

Corporate Information

Head Office
640 Cameron, Sainte-Marie,
Quebec, G6E 1B2,Canada
Telephone: 418 387.4155
Fax: 418 386.4520
www.maax.com

Subsidiaries

Canada

Imperial Woodcraft
Cuisine Expert – C.E. Cabinets Inc.
MAAX Spas (B.C.) Inc.
MAAX Spas (Ontario) Inc.
MAAX Canada Inc.

United States

MAAX Hydro Swirl Manufacturing Corp.
MAAX KSD Corporation
MAAX Midwest, Inc.
MAAX Southeast, Inc.
MAAX Spas (Arizona), Inc.
Pearl Baths, Inc.

Europe

SaniNova B.V.

Plants by Sector

Bathroom and Kitchen

Imperial Woodcraft, Cookshire, QC
C.E. Cabinets, Laval, QC
MAAX Hydro Swirl, Bellingham, WA
MAAX KSD, Ontario, CA
MAAX KSD, Riviera Beach, FL
MAAX KSD, Southampton, PA (2 plants)
MAAX Canada Inc. (Lachine Division), Lachine, QC
MAAX Midwest, Bremen, IN
MAAX Midwest, Cedar Rapids, IA
MAAX Canada Inc. (Beauce Division), Sainte-Marie, QC (3 plants)
MAAX Southeast, Valdosta, GA
MAAX Canada Inc. (Beauce Division), Tring-Jonction, QC
MAAX Canada Inc. (Westco Division), Airdrie, AB
MAAX Canada Inc. (Westco Division), Armstrong, BC
MAAX Canada Inc. (Manhattan Division), Anjou, QC
Pearl Baths, Minneapolis, MN
SaniNova, Heinenoord, Netherlands

Spas

MAAX Spas (Arizona), Chandler, AZ
MAAX Spas (B.C.), Maple Ridge, BC
MAAX Spas (Ontario), Beamsville, ON

Distribution Centres

Airdrie, Alberta
Berlin, New Jersey
Columbus, Ohio
Lakewood, New Jersey
Langley, British Columbia
Mississauga, Ontario
Sacramento, California

Registrar and Transfer Agents

National Bank Trust Inc.
Montreal, Quebec
Computershare Trust Company of Canada Inc.
Toronto, Ontario

Auditors

KPMG LLP
Quebec City, Quebec

Legal Counsel

Desjardins, Ducharme, Stein, Monast
Quebec City, Quebec
Vachon, Besner & Ass.
Sainte-Marie, Quebec

Financial Institution

National Bank of Canada

Listing

Ticker Symbol: MXA
Toronto Stock Exchange

Financial Comments

CIBC World Markets
Dundee Securities
National Bank Financial
Nesbitt Burns
Paradigm Capital Inc.
RBC Dominion Securities
Sprott Securities

Annual Information Form

A copy of the Annual Information Form, filed with the Securities and Exchange Commissions of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and a copy of the Notice annuelle, filed with the Commission des valeurs mobilières du Québec, may be obtained upon written request from the Corporate Secretary.

Annual General Meeting of Shareholders

July 3, 2002, at 11:30 a.m.
Queen Elizabeth Hotel
Marquette Room
900 René-Lévesque Blvd. West
Montreal, Quebec

Pour recevoir la version francaise de ce rapport, veuillez vous addresser à :
MAAX Inc. *Relations avec les investisseurs 640, Cameron Sainte-Marie (Québec) G6E 1B2 Canada ou communiquer par courriel : mmstjacques@maax.com*

Bélanger Rheault Communications Design Ltée

WWW.MAAX.COM

640 Cameron, Sainte-Marie
Quebec G6E 1B2 Canada

Telephone: (418) 387-3646
Fax: (418) 386-4520

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